

Regulatory Agency Suspends

Atomic Exports, Imports

By David Burnham

WASHINGTON, March 27.—The Nuclear Regulatory Commission has stopped issuing licenses for the import and export of nuclear materials and special materials such as plutonium pending review of the panel's rules in this area.

Decision was disclosed by a spokesman for the NRC. The decision was triggered by the fact that the NRC had received 200 applications for licenses to import and export nuclear materials and special materials such as plutonium.

One of the questions centers on whether the United States can and should be selective about which nations it sells reactors to at a time when such countries as Canada, France and West Germany are also manufacturing and selling reactors.

A second question focuses on the limitations of the treaty designed to control the spread of nuclear weapons by imposing international accounting requirements on those nations with reactors. But most experts agree that small terrorist groups might be able to fashion a homemade nuclear weapon if they were able to get a small amount of plutonium. So, are the existing safeguards, aimed only at nations, adequate?

Under the law authorizing the recent reorganization of the now extinct Atomic Energy Commission, the Nuclear Regulatory Commission was given final authority to approve nuclear exports or imports. According to congressional staff members, the AEC also had this legal authority but usually did not exercise it, deferring instead to the State Department.

Sen. Abraham Ribicoff, D-Conn., chairman of the Senate subcommittee that handled the reorganization of the AEC last year, said the NRC was "to be commended for acting in the independent manner intended by the Energy Act." He also said: "A thorough review of international nuclear safeguards is long overdue. It is essential that tough measures be taken to prevent the conversion of peaceful nuclear materials and technology to weapons by any nation or sub-national group."

Rep. Aspin, who had criticized the NRC for permitting the shipment of plutonium by airplane into New York City, said the commission decision to stop issuing licenses pending review of its policies was "a prudent decision and an encouraging sign that the new commission will not be a doormat for the nuclear industry."

Biggest Soviet A-Plant
MOSCOW, March 27 (Reuters).—Work has begun on what will be the Soviet Union's largest atomic power station, Tass news agency reported today.

It will have a capacity of 4 million kilowatts.

The station, situated between Moscow and Leningrad, is expected to start supplying electricity to the large industrial centers around the two cities by 1980.

House Unit Backs
\$73-Billion Deficit
In U.S. Budget

WASHINGTON, March 27 (UPI).—The new House Budget Committee yesterday approved for the next fiscal year a congressional spending plan with a federal deficit estimated at \$73.7 billion—\$21.8 billion more than President Ford has proposed. The budget would total \$362.7 billion.

Even with the economic stimulus provided by a higher U.S. budget, the committee said the unemployment rate will average 7.4 per cent in the fiscal year that will begin July 1. Under Mr. Ford's spending plan, the rate would be 8 per cent or more, presidential economists have estimated. The jobs rate was 8.2 per cent last month.

The House committee action is the first step toward creating a congressional budget or total tax and spending plan for the government, as an alternative to the plan proposed by the President.

Congress in the past has approved tax and spending bills independently of one another, without paying much attention to the totals. Last year it passed legislation establishing budget committees to set tax and spending targets. The new procedures will not take complete effect until fiscal 1977.

The House committee vote was 12 to 5, with eight members absent, including six of the committee's eight Republicans. The two other Republicans were among those voting no.

Soviet Boat in U.S.
NEW ORLEANS, March 27 (UPI).—The Russian-built hydrofoil Krasnaya-M, cruised on the Mississippi at 30-knot speed yesterday during its first visit to the city.

th Carolina
ects Equal

hts Measure

UNBIA, S.C., March 27.—The Equal Rights Amendment was killed by the South as House yesterday.

vote to shelve the ratification was approved, 46 to 43, means ERA is dead in the ure for at least the re of the 1976 session and ly for 1976 as well.

h Carolina was one of the that national ERA groups een focusing on in their to write into the U.S. nition a prohibition against ination because of sex. y-four state legislatures affixed the amendment and ded by the 1979 expira- te.



PRETENDER—Tony Bubenik, 62, of Toronto, is a researcher who studies the reactions of antlered animals to an antlered man. He has had his close calls: charged by a moose, shot at by a hunter.

\$22.8-Billion Tax-Cut Bill Approved by House, Senate

By Robert Siner

WASHINGTON, March 27 (UPI).—Congress last night gave final approval to a \$22.8-billion tax cut bill designed to stimulate the economy by making more money available for Americans to spend.

However, today President Ford said that he "believes he could sustain a veto in the House," if he decides to reject the measure.

The bill carries rebates and reduction ranging between \$300 and \$610 for an average family of four and a \$50 one-time payment for every Social Security beneficiary. At the same time, it repeals the 22-per-cent oil depletion allowance for large oil firms and sets less liberal treatment of royalties paid to foreign governments.

The compromise bill was passed overwhelmingly by the Senate, 46 to 16, and by the House, 287 to 125. However, the House vote was deceptive since it was taken only after a Republican move to recommit the bill was narrowly defeated 214 to 197. The closeness of this ballot indicates the votes may be there to sustain a veto.

Presidential Press Secretary Ron Nessen said today that the President was seriously concerned about some of the provisions of the bill especially since no hearings were held on some portions of the package.

Mr. Nessen said that the President still believed that a tax cut was necessary to fight the recession and declined to give any indication of whether the President had made any final decision.

Decision Later
Earlier he said that there would be no decision of this sort "for at least several days."

After last night's vote House Minority Leader John Rhodes of Arizona, predicted, following a talk with Mr. Ford, that the measure would be vetoed. After the votes, Congress began its 10-day Easter recess, a fact that contributed to the light attendance in the Senate for the vote.

Rep. Rhodes told newsmen that the President would probably reconsider "the whole idea of a tax cut" but the Senate Finance Committee chairman, Russell Long, D-La., was confident that the bill would be approved.

He said that he did not think that the President was "foolish enough to veto this bill" and warned that Mr. Ford would be playing with "dynamite."

However, the White House could be counting on a growing fear of large budget deficits, with their potential for drying up funds needed for business, to sustain the President in any veto action.

Mr. Nessen said today that the President's advisers were carefully examining the tax cut package to see if they came up with the same cost total calculated by Congress.

The bill includes about \$24.8 billion in tax cuts and about \$2 billion in tax increases.

Breast-Cancer Clinics in U.S.
Exceed Detection Estimates

By Jane E. Brody

SAN DIEGO, March 27 (UPI).—A national network of breast-cancer detection clinics has uncovered 2 1/2 times the expected number of malignancies in women screened during the clinics' early months.

The unusual number of cases is believed due largely to the fact that they were discovered much earlier than they would otherwise have been, according to Dr. Benjamin Byrd, president-elect of the American Cancer Society and professor of surgery at Vanderbilt Medical School.

Dr. Byrd's conclusion is supported by the finding that in only 23 per cent of the women found to have cancer had the disease spread to the lymph nodes surrounding the breast. This is half the usual number who are found at the time of initial surgery to have more than local disease.

Chances of Survival
Dr. Byrd told the American Cancer Society's seminar for science writers that women with only localized disease have an 85 to 90-per-cent chance of being alive and well five years after surgery, compared to a 45-per-cent five-year survival rate of women whose tumors had already spread to surrounding nodes when their cancer was first diagnosed.

Thus, the network of 27 detection clinics, which are supported by the American Cancer Society and the National Cancer Institute, are demonstrating that early breast-cancer detection can, in fact, save lives from a disease that will strike an estimated 88,000 American women this year and claim 33,000 lives.

Three Methods
The clinics use three screening methods—physical examination of the breast, mammography, which is a special breast X-ray, and thermography. A total of 125,000 women have been screened in the clinics thus far.

Analysis of the results from the first 88,155 women screened revealed that 328 cancers had been found, compared to an expected 136. Dr. Byrd said that a preliminary analysis of the last 39,000 women screened indicates that the rate of cancer detection is continuing at the higher-than-expected level.

He discounted the idea that the high rate of cancer detection was a result of women coming to the clinics after they had already found symptoms of breast cancer. The clinics are set up in theory to screen only women without symptoms.

Power Is Cut By Bombings In Calif. Area

FBI Office Is Target In Series of Blasts

SAN JOSE, Calif., March 27 (AP).—A series of plastic devices exploded last night at a Pacific Gas & Electric Co. substation, destroying three banks of transformers, disrupting service to 35,000 homes and shaking buildings two miles away, authorities said.

About 2 1/2 hours later, a bomb exploded in a building that houses the FBI office in Berkeley, about 50 miles to the north, the FBI said. A group calling itself the Red Guerrilla Family claimed responsibility for the bomb that exploded in a women's toilet on the floor above the FBI office.

An FBI spokesman said that he had never heard of the Red Guerrilla Family.

In Los Angeles, a bomb caused minor damage to a downtown building early today.

Shortly after the explosion, radio station KFWB received a call from a man claiming to be a member of a group supporting Cuban Premier Fidel Castro. The man said that the bomb had been aimed at the Pan American Government Tourist Bureau, which is housed in the building.

Authorities said that no injuries were reported in any of the incidents and that it was not known if the blasts were connected.

In San Jose, four explosions went off at 11:55 p.m. yesterday, and a fifth device exploded minutes later at the Elks substation just south of San Jose, officers said.

The substation blasts knocked out power in an estimated 20-mile area, including virtually all of the Almaden Valley area, large sections of southwest San Jose and some areas of Los Gatos and Saratoga, officers said.

A woman called the San Francisco Chronicle and two radio stations at 2 a.m. and gave warning that the bomb in Berkeley would explode at 2:30. Authorities said there was no warning before the San Jose blasts.

The Chronicle and radio stations notified Berkeley police who made sure the building housing the FBI office was empty before the bomb went off.

The Chronicle, following the woman's instructions, later picked up a communiqué in a potted plant in downtown San Francisco.

The communiqué said: "The Red Guerrilla Family is responsible for the attack on the Berkeley office of the FBI. We take this action in solidarity with the SLA (Symbionese Liberation Army) and all other comrades under attack from the political police of the American [sic] capitalist state."

Mountie Manual Advises Use
Of Sexism, Deceit on Suspects

OTTAWA, March 27 (UPI).—In the movies the Royal Canadian Mounted Policemen—the Mounties—always get his man. In real life it is the same, even if it means using fear, deceit and sexism, according to a training manual.

In a 39-page manual used by the police training branch in Ottawa, officers are instructed to start questioning with everything that is "legal and right."

But if this fails, "I suggest the rules go out the window and the interrogator must open up his bag of tricks," the manual says.

The manual was brought before the House of Commons this week by an angry lawmaker who demanded an investigation.

Special Handling
The booklet advises special handling depending on whether suspects are fat, short, skinny—or female.

When praise and flattery fail, it says, "we then slip into the heaven and hell technique. In this approach we let the subject have a look at hell, but also offer him heaven in exchange, or as an alternative."

"The subject is interrogated at all hours, day or night," the manual explains. "He has been kept in isolation and has had most of his clothes taken away from him."

The booklet says that, being stripped of clothing and denied permission to contact friends or family, the suspect "feels completely forsaken," forgotten and is at the lowest depths of despair."

At this point, according to the manual, the police interrogator "offers him a glimpse of heaven" by offering him a coffee, a cigarette, more comfortable quarters or an offer to speak to his friends or family.

Physical Categories
The manual groups suspects into categories and advises special handling for each category, for instance:

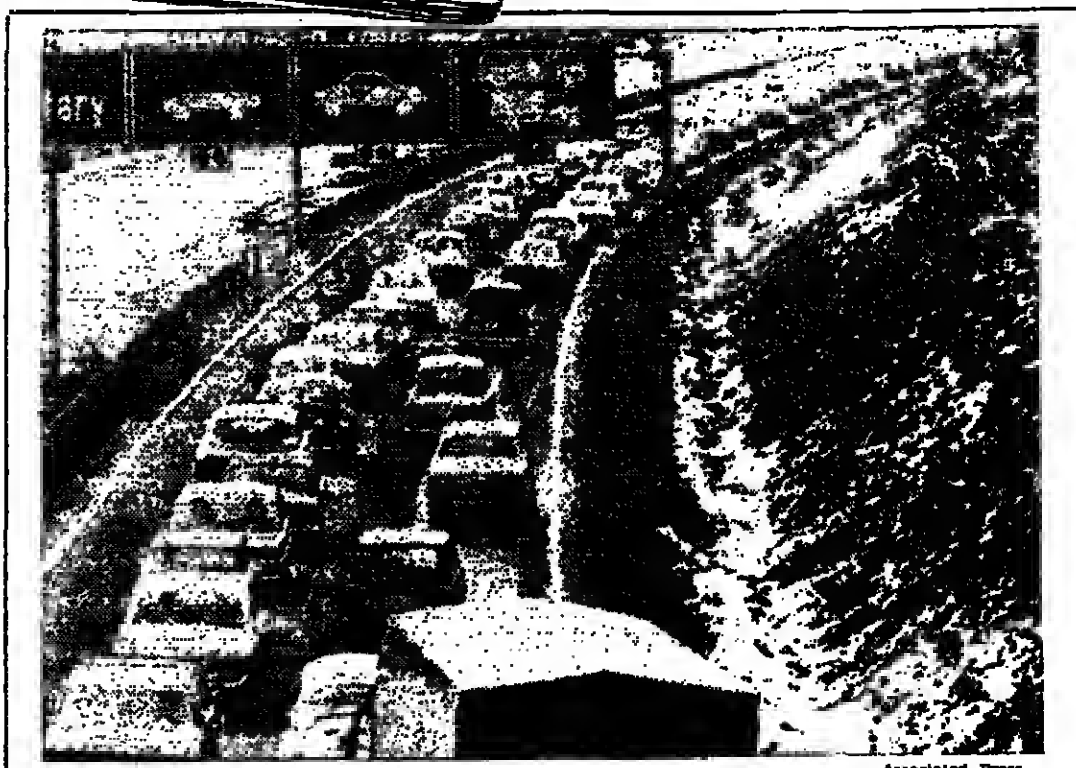
• "Short and fat physique: These people are usually the happy type. Eat, drink and be merry. When interrogating this type, humor them."

• "Tall and slender: These types are usually withdrawn and introverted. They are the thinkers, poets, writers. They may be withdrawn and the interrogator must attempt to pull them out by appealing to their intellect."

• "Short physique: If you think for a moment how many small men have become dictators: Napoleon, Mussolini, Hitler, Stalin. All were men of relatively small stature. Think back to your days on the beach. It was always the little guy who caused the trouble and caused the fight."

It says officers interrogating sex offenders should use the "everybody's doing it" method and tell the suspect:

"Girls are the same way. It is just human nature, that's all. There is no doubt in my mind that she was asking for it. Nine times out of 10 they are to blame."



LEAVING BERLIN—Long lines of cars waiting to be checked out of the city yesterday as Berliners left for East or West Germany for Easter vacations.

After Criticism of Ex-Aides' Deals

Nixon Said to Halt \$250,000 TV-Show Plan

By Everett R. Holmes

SAN CLEMENTE, Calif., March 27 (UPI).—Richard Nixon was reliably reported yesterday to have called a halt, at least for the time being, to efforts by a group of friends to obtain bids of around \$250,000 for his appearance on television for his years in the White House.

Negotiations for a "Nixon Special," initiated several weeks ago and described here by a former aide as "unauthorized exploratory talks" from which Mr. Nixon remained aloof, grew out of the group's concern over his dwindling finances and steadily mounting legal expenses, which may total nearly \$500,000.

The group includes businessmen, a television personality and a former military aide.

"Recent developments have made the project inadvisable at this time, although it may perhaps be reconsidered at some later date," a former member of the Nixon White House staff said.

Standing Offer
"Although the matter is now at a standstill, in accordance with Mr. Nixon's wishes, he has a standing offer of approximately \$250,000 from an independent program producer who is prepared to go ahead whenever Mr. Nixon is agreeable and there is solid interest in other quarters," he said.

The source of the pending offer was not identified.

The "recent developments" in- cluding Mr. Nixon's decision, according to the informant, included but were not limited to the controversy touched off by the CBS TV network's reported payment of \$50,000 to R.R. Balaban for his two-part Watergate interview, as well as public criticism leading to the recent cancellations of lecture tours by Ronald Ziegler and John Dean 3d.

An inquiry at Mr. Nixon's office here was answered with the following statement by Joanne Miller, a staff assistant:

"Because of commitments Mr. Nixon already has, he is meeting deadlines for publication of the first volume of his memoirs and also because of continuing restrictions placed on his activity by his doctors, it is not possible to schedule any interviews in the foreseeable future."

It was made clear to the television interests by Mr. Nixon's friends that the show would have had to be a "historical" documentary spanning the years of Mr. Nixon's presidency and not what one of them called "merely a Watergate inquisition on the air."

All questions about Watergate and the portion of the program devoted to them would have been subject to Mr. Nixon's prior approval in order to insure "a properly balanced program."

Organization Praised
Black Muslim Image Changes
From Radical to Respected

By Celeste Durant

LOS ANGELES, March 27.—Ten years ago, the Black Muslims were considered radicals and racists. They were assailed by the white press and by many blacks for their hatred of whites and their desire for a separate black state, which was contrary to civil-rights efforts.

The Muslims no longer emphasize hatred of whites. Instead, they talk of "doing for self." And—as members of the Nation of Islam—they have built a country-wide network of businesses with an estimated value of more than \$100 million.

The businesses, the result of the teachings of the late Elijah Muhammad, are designed to provide food, clothing, housing, health services and technology to black people, to function independently of the white power structure now—and when the white man falls, as Muslims believe he will.

White businessmen praise the Muslims as good customers who pay their bills. Black politicians and civil-rights leaders speak of the group and its late leader with admiration.

In Los Angeles, black community residents and leaders say that the Muslims are one of the few groups in the central area to have made real progress since the Watts riots in 1965.

Los Angeles Superior Court Judge Billy Miller said: "We [the black community] must do what the Muslims are doing. In fact, we should work with the Muslims."

Abdul Karim is West Coast regional head of the Nation of Islam. From a tiny, windowless office he directs the organization's growing Los Angeles empire.

The Business Empire
Like most Muslims, Mr. Karim does not like to talk of numbers. He will say: "We have many followers he has or how much his temple's business interests are worth."

The temple owns more than 20 businesses in the Los Angeles black community: a large bakery and four outlets, six drive-in restaurants, three fish and poultry stores, a small grocery store, a gasoline station, a dry-cleaning shop, a wholesale food distributorship, a supermarket and a door-to-door retail fish operation with 10 vans circulating through black communities around the city.

In addition, the group owns a considerable amount of property in the Watts area. It also operates a school with a 1,000-pupil enrollment.

In its various business and religious activities, the temple employs 200 persons.

"We are not begging white people and black people. We are not trying to get federal grants or get funds from the city, state and federal government," Mr. Karim says. "We ask that they leave us alone so we can do for ourselves what white, brown and red people have done for themselves."

Black people must have something to say about the way they are treated in their community, he says, and therefore they must acquire economic independence.

"Everywhere a black man goes in the black community we want him to see the accomplishments of the honorable Elijah Muhammad," Mr. Karim says.

After Criticism of Ex-Aides' Deals

Nixon Said to Halt \$250,000 TV-Show Plan

By Everett R. Holmes

SAN CLEMENTE, Calif., March 27 (UPI).—Richard Nixon was reliably reported yesterday to have called a halt, at least for the time being, to efforts by a group of friends to obtain bids of around \$250,000 for his appearance on television for his years in the White House.

Negotiations for a "Nixon Special," initiated several weeks ago and described here by a former aide as "unauthorized exploratory talks" from which Mr. Nixon remained aloof, grew out of the group's concern over his dwindling finances and steadily mounting legal expenses, which may total nearly \$500,000.

The group includes businessmen, a television personality and a former military aide.

"Recent developments have made the project inadvisable at this time, although it may perhaps be reconsidered at some later date," a former member of the Nixon White House staff said.

Standing Offer
"Although the matter is now at a standstill, in accordance with Mr. Nixon's wishes, he has a standing offer of approximately \$250,000 from an independent program producer who is prepared to go ahead whenever Mr. Nixon is agreeable and there is solid interest in other quarters," he said.

The source of the pending offer was not identified.

The "recent developments" in- cluding Mr. Nixon's decision, according to the informant, included but were not limited to the controversy touched off by the CBS TV network's reported payment of \$50,000 to R.R. Balaban for his two-part Watergate interview, as well as public criticism leading to the recent cancellations of lecture tours by Ronald Ziegler and John Dean 3d.

An inquiry at Mr. Nixon's office here was answered with the following statement by Joanne Miller, a staff assistant:

"Because of commitments Mr. Nixon already has, he is meeting deadlines for publication of the first volume of his memoirs and also because of continuing restrictions placed on his activity by his doctors, it is not possible to schedule any interviews in the foreseeable future."

It was made clear to the television interests by Mr. Nixon's friends that the show would have had to be a "historical" documentary spanning the years of Mr. Nixon's presidency and not what one of them called "merely a Watergate inquisition on the air."

All questions about Watergate and the portion of the program devoted to them would have been subject to Mr. Nixon's prior approval in order to insure "a properly balanced program."

Organization Praised
Black Muslim Image Changes
From Radical to Respected

By Celeste Durant

LOS ANGELES, March 27.—Ten years ago, the Black Muslims were considered radicals and racists. They were assailed by the white press and by many blacks for their hatred of whites and their desire for a separate black state, which was contrary to civil-rights efforts.

The Muslims no longer emphasize hatred of whites. Instead, they talk of "doing for self." And—as members of the Nation of Islam—they have built a country-wide network of businesses with an estimated value of more than \$100 million.

The businesses, the result of the teachings of the late Elijah Muhammad, are designed to provide food, clothing, housing, health services and technology to black people, to function independently of the white power structure now—and when the white man falls, as Muslims believe he will.

White businessmen praise the Muslims as good customers who pay their bills. Black politicians and civil-rights leaders speak of the group and its late leader with admiration.

In Los Angeles, black community residents and leaders say that the Muslims are one of the few groups in the central area to have made real progress since the Watts riots in 1965.

Los Angeles Superior Court Judge Billy Miller said: "We [the black community] must do what the Muslims are doing. In fact, we should work with the Muslims."

Abdul Karim is West Coast regional head of the Nation of Islam. From a tiny, windowless office he directs the organization's growing Los Angeles empire.

The Business Empire
Like most Muslims, Mr. Karim does not like to talk of numbers. He will say: "We have many followers he has or how much his temple's business interests are worth."

The temple owns more than 20 businesses in the Los Angeles black community: a large bakery and four outlets, six drive-in restaurants, three fish and poultry stores, a small grocery store, a gasoline station, a dry-cleaning shop, a wholesale food distributorship, a supermarket and a door-to-door retail fish operation with 10 vans circulating through black communities around the city.

In addition, the group owns a considerable amount of property in the Watts area. It also operates a school with a 1,000-pupil enrollment.

In its various business and religious activities, the temple employs 200 persons.

"We are not begging white people and black people. We are not trying to get federal grants or get funds from the city, state and federal government," Mr. Karim says. "We ask that they leave us alone so we can do for ourselves what white, brown and red people have done for themselves."

Black people must have something to say about the way they are treated in their community, he says, and therefore they must acquire economic independence.

"Everywhere a black man goes in the black community we want him to see the accomplishments of the honorable Elijah Muhammad," Mr. Karim says.

After Criticism of Ex-Aides' Deals

Nixon Said to Halt \$250,000 TV-Show Plan

By Everett R. Holmes

SAN CLEMENTE, Calif., March 27 (UPI).—Richard Nixon was reliably reported yesterday to have called a halt, at least for the time being, to efforts by a group of friends to obtain bids of around \$250,000 for his appearance on television for his years in the White House.

Negotiations for a "Nixon Special," initiated several weeks ago and described here by a former aide as "unauthorized exploratory talks" from which Mr. Nixon remained aloof, grew out of the group's concern over his dwindling finances and steadily mounting legal expenses, which may total nearly \$500,000.

The group includes businessmen, a television personality and a former military aide.

"Recent developments have made the project inadvisable at this time, although it may perhaps be reconsidered at some later date," a former member of the Nixon White House staff said.

Standing Offer
"Although the matter is now at a standstill, in accordance with Mr. Nixon's wishes, he has a standing offer of approximately \$250,000 from an independent program producer who is prepared to go ahead whenever Mr. Nixon is agreeable and there is solid interest in other quarters," he said.

The source of the pending offer was not identified.

The "recent developments" in- cluding Mr. Nixon's decision, according to the informant, included but were not limited to the controversy touched off by the CBS TV network's reported payment of \$50,000 to R.R. Balaban for his two-part Watergate interview, as well as public criticism leading to the recent cancellations of lecture tours by Ronald Ziegler and John Dean 3d.

An inquiry at Mr. Nixon's office here was answered with the following statement by Joanne Miller, a staff assistant:

"Because of commitments Mr. Nixon already has, he is meeting deadlines for publication of the first volume of his memoirs and also because of continuing restrictions placed on his activity by his doctors, it is not possible to schedule any interviews in the foreseeable future."

It was made clear to the television interests by Mr. Nixon's friends that the show would have had to be a "historical" documentary spanning the years of Mr. Nixon's presidency and not what one of them called "merely a Watergate inquisition on the air."

All questions about Watergate and the portion of the program devoted to them would have been subject to Mr. Nixon's prior approval in order to insure "a properly balanced program."

Organization Praised
Black Muslim Image Changes
From Radical to Respected

By Celeste Durant

LOS ANGELES, March 27.—Ten years ago, the Black Muslims were considered radicals and racists. They were assailed by the white press and by many blacks for their hatred of whites and their desire for a separate black state, which was contrary to civil-rights efforts.

The Muslims no longer emphasize hatred of whites. Instead, they talk of "doing for self." And—as members of the Nation of Islam—they have built a country-wide network of businesses with an estimated value of more than \$100 million.

The businesses, the result of the teachings of the late Elijah Muhammad, are designed to provide food, clothing, housing, health services and technology to black people, to function independently of the white power structure now—and when the white man falls, as Muslims believe he will.

White businessmen praise the Muslims as good customers who pay their bills. Black politicians and civil-rights leaders speak of the group and its late leader with admiration.

In Los Angeles, black community residents and leaders say that the Muslims are one of the few groups in the central area to have made real progress since the Watts riots in 1965.

Los Angeles Superior Court Judge Billy Miller said: "We [the black community] must do what the Muslims are doing. In fact

The Dilemma of Alliances

Secretary of State Kissinger was not a happy man when he stood before the reporters and the television cameras on Wednesday. His policy seemed to be collapsing in Indochina; it had encountered a serious setback in the Middle East. Deterrence, another of his objectives, did not seem to be paying off in either area. And, of course, he was under attack in many parts of the world: in Southeast Asia, in the Middle East, in Cyprus and even, albeit to a somewhat lesser extent, in Europe. From its postwar origins in the Truman Doctrine, through its great expansion under John Foster Dulles and its sharpening under John Kennedy, the United States undertook a series of commitments to other countries that ostensibly rested on defending them against aggression; in fact, as events have proved, much of the structure of the alliances depended on the conduct of the allies themselves. It was, in fact, the kind of dilemma that the Germany of Kaiser Wilhelm II blundered into when Austria attacked Serbia in 1914.

Yet, Mr. Kissinger—and the American people—were in fact confronting the dilemma of alliance in many parts of the world: in Southeast Asia, in the Middle East, in Cyprus and even, albeit to a somewhat lesser extent, in Europe. From its postwar origins in the Truman Doctrine, through its great expansion under John Foster Dulles and its sharpening under John Kennedy, the United States undertook a series of commitments to other countries that ostensibly rested on defending them against aggression; in fact, as events have proved, much of the structure of the alliances depended on the conduct of the allies themselves. It was, in fact, the kind of dilemma that the Germany of Kaiser Wilhelm II blundered into when Austria attacked Serbia in 1914.

The United States never quite reached that fatal stage: the Nixon doctrine and the withdrawal of troops from Vietnam, plus the American reaction against the Vietnamese war brought drastic changes in the temper, if not the letter, of the nation's commitments overseas. Now Mr. Kissinger is facing the difficulties that result from such a change—and they are many. But they are not as potentially lethal as if no change had taken place; not, at least, for the United States.

Nor does it follow that what was done in the years immediately following World War II by the United States was wrong—for the times and circumstances. Western Europe, for all its problems, could testify to that; so could Turkey and Greece, if they looked back to the late 1940s, and Japan. Nor does it follow that what was done in the years immediately following World War II by the United States was wrong—for the times and circumstances. Western Europe, for all its problems, could testify to that; so could Turkey and Greece, if they looked back to the late 1940s, and Japan.

Today's world is a world of confusion, with the fact of grim anguish in Indochina and its possibility again in the Middle East. It is no easy task to adjust to the now recognizable dilemma of alliance: it is one of building on what was constructive in the past, without being bound by it; of winning toward a collective world order instead of a simplistic dichotomy. And for what he has done, and still may do, the secretary of state, despite his present difficulties, represents an important national asset.

Next Phase in Mideast

Despite deep disappointment over the failure of his latest mediation effort between Egypt and Israel, Secretary of State Kissinger at his news conference Wednesday put the best face possible on the forthcoming Geneva conference on the Middle East.

No one can hold any illusions that the United States, to say nothing of Israel, will have an easy or encouraging time at Geneva, confronting a phalanx of Arab states and the Soviet Union, all confident of holding the upper hand against Israel, on the defensive and nearly isolated.

In rejecting Egypt's final proposals as conveyed by Secretary Kissinger in Jerusalem last Friday night, the Israeli Cabinet carefully calculated the risks—both military and political—involved in its decision. The final determining factor, apparently, was the expectation that at Geneva a military withdrawal in Sinai could be negotiated in the context of political movement toward a peace agreement; the default step-by-step formula, in the Israeli view, involved only another military disengagement of limited duration, without corresponding political actions from the Arab side.

If it is impossible to be optimistic about rapid progress at Geneva, considering the wide range of forces and problems involved, this new form of negotiation is still by no means a hopeless venture. The Geneva conference will be a nightmare of negotiating tactics and psychology, but as a forum for confronting a wide range of interrelated issues it holds some advantages over the bilateral step-by-step process.

Instead of standing on the sidelines as disaffected observers—and potential wreckers—the Soviet Union and, in all probability, some Palestinian representatives will be

active participants in whatever agreement may be reached—if there is one. For his part, President Sadat would be less vulnerable to Arab charges of bargaining for a separate peace.

The correct course for the United States at this point is not to blame either Egypt or Israel for failing to give exactly what the other side wanted, but rather to understand—and try to correct—the inhibitions which hold each side back. Washington is not committed to one particular form of diplomatic exchange, as Secretary Kissinger made clear at the news conference. The failure of the step-by-step method does not mean there has been a collapse of American diplomacy, particularly when there are alternative forms of negotiation ready to be used.

A constructive American role at Geneva (in which the Soviet Union might even join) would be to try moving promptly out of plenary conference and into working groups to deal individually with specific problems, including the Palestinian status, frontiers and security guarantees. Many of the same bilateral negotiating techniques that Secretary Kissinger has used up to now could again come into play, with the aim of reaching accords on specific matters; each to be implemented only alongside other accords being simultaneously negotiated.

One diplomatic process has reached the end of the line, but the peacemaking process itself has not necessarily failed. As they ponder the alternatives for the near and distant future, neither Arabs nor Israelis can afford to conclude that they have any better course—for the well-being and security of their peoples and their nations—than to keep talking.

THE NEW YORK TIMES.

International Opinion

Faisal: 'End of an Era'

King Faisal was at the same time the strong man of the Arab world, an important balancing factor in the Middle East, and one of the masters of the international oil game. His disappearance will have very serious consequences in all these fields. . . . Regardless of the threats of Marine landings sometimes brandished in Washington, he remained the moderate, the realist, the ally on whom the United States could count. . . . Saudi Arabia, under the iron fist of an enlightened despot, was swinging slowly but spectacularly from the ancestral world of the great nomads into the 20th century. . . . The death of Ibn Saud's second son doubtless marks the irremediable end of an era.

It is difficult not to make a comparison with the situation in Libya after King Idris left for exile, and the take-over by Col. Qadhafi. Nothing of course warrants the assumption that a junta of young officers might seize power in Riyadh. . . . An internal explosion might nonetheless occur which

would be very likely to result in a much more aggressive foreign policy on the part of Saudi Arabia in both the Persian Gulf and the Israeli-Arab conflict. . . . Henry Kissinger definitely does not have luck. After the failure of his mission between Israel and Egypt, another pillar of his policy is collapsing in one of the hottest regions of the world. And there also Soviet diplomacy might well seize the occasion of scoring a few points.

—From *Le Figaro* (Paris).

It was a senseless act and a personal tragedy, but it is not automatically a major turning point in Middle East politics. The natural reaction of all states in the area, and indeed of those outside, will be to look for a sign from Riyadh. In the very short term, this may provide a diversion from thoughts of war. But if one can speak at all of stability in an unstable region, the sign must come quickly in the form of an assurance of the continuity of Saudi policy.

—From the *Financial Times* (London).

In the International Edition

Seventy-Five Years Ago

March 23, 1900

ALBANY, N.Y.—The Assembly yesterday passed a bill providing for the licensing of all persons operating automobiles or motor carriages upon the public highways in the State. The Board of Supervisors in each county will handle the applicants. The person making the application for the license is to pay the examiner \$1. The vehicle will be tested for its safety.

Fifty Years Ago

March 23, 1925

LONDON—The war between the Turks and the Kurds varies greatly in results according to the latest news received here. Loyal Turkish troops west of the Tigris have driven back the Kurds, but near Kirm the Kurds were successful in occupying Sulay. It appears that in several places the rebels have pierced the cordon of Turkish troops and made their way towards the mountains.



'It's a Variation of an Old Game—Now Hold Still.'

The World and Willy Brandt

By Jonathan Power

LONDON—Willy Brandt, former chancellor of West Germany, mover of Ostpolitik, Nobel Peace Prize winner, is tired and often depressed. Yet for all that, support is mounting to push his name forward to be secretary-general of the newly-established World Food Council. Gabriele Veny, foreign editor of the highly respected West German weekly *Die Zeit*, which has been one of the prime backers in the Brandt lobby, argues that he is the one Western politician now living who still commands respect and admiration from a wide range of ideological viewpoints. Moreover, he is trusted by both the Communist powers and the Third World. And not least he excites the imagination of the young.

But Brandt has resisted this pressure. He says that he is worn out; that he has done his bit. And he continues wearily on with his unsatisfactory job as chairman of the Social Democratic party convinced that it is his duty to see through the current crop of crucial state elections.

But his supporters do not take Brandt's "no" too seriously. Brandt never has been a man for pushing himself forward into demanding situations. He has always had to be encouraged and coaxed. His lack of "go" at the moment is also interpreted as being due to the great he suffered when he had to resign as chancellor.

Critical Issue

Give him a job like head of the World Food Council, responsible for what is perhaps the critical issue of our age, so the argument runs; then the old Willy Brandt will respect will surface again. One indication of his potential is the speech he gave two months ago at a United conference. He spoke with great passion from the heart. It was his own speech and his deep commitment to the Third World was obvious.

The World Food Council is in fact well tailored to Brandt's style of operating. It is a small outfit with only eight to 10 full-time staff. It is not supposed to rival the huge bureaucracy of the UN's Food and Agriculture Organization. It is meant to be a small high-powered executive body dealing with the world's finance and foreign ministers rather than ministers of agriculture who usually hold less power in their cabinets.

The council was born at the World Food Conference in Rome last November. There had been the unanimous feeling that not since the end of World War II had there been such an impossible food shortage. The Green Revolution, which in the late

1960s had held out so much promise, now looked as if it was running out of steam, or at least running a poor second to population growth. Oil and fertilizer shortages were wreaking havoc with the agricultural plans of many poor countries. The world's weather appeared to be moving into a drier phase. And American food stocks, which had bailed out Asia in the 1960s, were almost nonexistent. An FAO study, which no one seriously disputed, reckoned that by the mid-1980s, unless there were some profound political and economic changes, there could be a serious deficit in the Third World of around 120 million tons. (Last year's shortfall, serious as it was, was only 52 million tons.)

Breakthrough

The purpose of the World Food Council would be to force a breakthrough in this seemingly uncontrollable situation. For it is reckoned that the FAO for all its expertise is too cumbersome for what is essentially a political job: first, to persuade status-conscious, urban-oriented, developing countries to give priority to small farmers and rural development; second to push the rich, both old and new, to help provide the finance (estimated by the World Bank to be around \$100 billion over 10 years) to make this agricultural priority a going concern.

The original proposition discussed at the World Food Conference would have given this new body similar powers to the UN Security Council—to be able to pass resolutions that if not vetoed are mandatory on the world community. Sadly the big powers would not accept this idea. Even so the council will carry a great amount of muscle. And the muscle is obviously directly related to who is running it. It is at this point that the case for Willy Brandt becomes clear. At the moment the secretary-generalship is held by John Hannah, the former administrator of the U.S. Agency for International Development. Although Hannah is well thought of, he is now 73 and does not pack the political punch that "heavy" nominee, Maurice Strong, is really necessary. A number of people who know him well believe he would gladly step down if offered his services.

Would there be any opposition to Brandt? That is a delicate question, but the consensus of those informed appears to be that there would not. There has been the suggestion that Mr. Kissinger does not want a powerful food council and that the United States opposed the previous the dynamic thrusting Canadian

who runs the UN environmental program in Nairobi. Americans, apparently, were worried that such an independent spirit would allow the leadership on the food issue to pass out of U.S. hands—to the Arabs for example. However, the present indications are that Mr. Kissinger has quietened his opposition and is now more open to accepting a vigorous food boss; if one were forthcoming. Certainly he would find it difficult to oppose Willy Brandt.

This is steeped in irony, considering Baker's consistent hard line on foreign policy (including his present courageous support of aid to Vietnam). On the record, he supports the essentiality of the CIA, including its covert

activities now under attack. In fact, he says he would have preferred a more discreet congressional watchdog committee to the present investigation.

Moreover, Howard Baker has been regarded as a figure of great ability and greater promise since he entered the Senate in 1967—up to a point. That point is raised by his fierce ambition and tendency toward overconfidence in dealing with sensitive political situations. For example, while getting national exposure in the televised Watergate hearings as an even-handed investigator, Baker behind the scenes was President Nixon's de facto attorney. That may explain why his eyes visibly lighted up in August, 1973, when the committee questioned CIA officials. By tying CIA to Watergate, he could simultaneously be the fearless investigator and loyal Nixon defender.

His investigation of the CIA soon consumed all the time of the Baker-controlled minority staff on the committee. Baker demanded—and was refused—all manner of CIA documents, chilling his relationship with CIA director William Colby. The end product, a report, bitterly resented as unfair by the CIA, which instructed much and proved nothing.

By hinting revelations that he could not produce, Baker seriously damaged his own credibility. He now concedes erring tactically in those hints, resulting in a nationally distributed political cartoon by Oliphant illustrating Baker, the sting of which the senator felt severely.

Good Reason
But Baker will not let the matter rest there. He insists that he ran out of time in his CIA investigation when the Watergate committee closed shop last year

More Ominous
This, Baker seems intent on using the current investigation for the self-vindication he apparently considers essential to his presidential ambitions. That is why the CIA's defenders in both the administration and the Senate regard him as far less judicious and far more ominous than Chairman Frank Church of Idaho and the other liberal Democrats on the committee.

This is steeped in irony, considering Baker's consistent hard line on foreign policy (including his present courageous support of aid to Vietnam). On the record, he supports the essentiality of the CIA, including its covert

activities now under attack. In fact, he says he would have preferred a more discreet congressional watchdog committee to the present investigation.

Moreover, Howard Baker has been regarded as a figure of great ability and greater promise since he entered the Senate in 1967—up to a point. That point is raised by his fierce ambition and tendency toward overconfidence in dealing with sensitive political situations.

For example, while getting national exposure in the televised Watergate hearings as an even-handed investigator, Baker behind the scenes was President Nixon's de facto attorney. That may explain why his eyes visibly lighted up in August, 1973, when the committee questioned CIA officials. By tying CIA to Watergate, he could simultaneously be the fearless investigator and loyal Nixon defender.

His investigation of the CIA soon consumed all the time of the Baker-controlled minority staff on the committee. Baker demanded—and was refused—all manner of CIA documents, chilling his relationship with CIA director William Colby. The end product, a report, bitterly resented as unfair by the CIA, which instructed much and proved nothing.

By hinting revelations that he could not produce, Baker seriously damaged his own credibility. He now concedes erring tactically in those hints, resulting in a nationally distributed political cartoon by Oliphant illustrating Baker, the sting of which the senator felt severely.

Good Reason
But Baker will not let the matter rest there. He insists that he ran out of time in his CIA investigation when the Watergate committee closed shop last year

Policy Change Urged

Security for Israel

By Anthony Lewis

NEW YORK—The sudden, destabilizing events in the Middle East come at a poignant time for Jews: Passover, the holiday that for so many centuries symbolized the hope of return to the land of Israel. The embodiment of that dream, present-day Israel, seems more than ever at risk in a hostile world.

In Israel itself, the breakdown of Secretary Kissinger's peace efforts has been identified as the embattled atmosphere. There is resentment of what is seen as American pressure to give up vital territory in the Sinai in return for something less than an Egyptian declaration of nonbelligerence. It is always risky for outsiders to tell the Israelis what they ought to do. They bear the reality of danger, and they live with the fear that the Arabs talk of settlement but really want to destroy them. But respect for Israel's fears cannot be allowed to suspend reasoned discussion.

Faulty Premise

Israel's premise, in so tenaciously resisting return of the territories taken in the 1967 war, must be that it is being asked to give up a position of strength. The territories provide security, that is. But that premise is faulty in a number of ways.

First, the land occupied in 1967 is less and less significant in terms of physical security. New weapons will cover the distance involved and more. The next will be more destructive than the others, whatever the particular boundaries. And militarily, time is running against Israel. The economic power of the Arabs is beginning to tell, and they are narrowing the gap with Israel in the mastery of military technology.

Second, retention of the occupied territories is sapping the already-diminished reservoir of good will toward Israel in the world. Prof. Stanley Hoffmann of Harvard, one of the wisest foreign-affairs specialists in the United States, has written of the danger of Israel's "isolation, physical and mental, from its neighbors and indeed from much of the outside world. The United States is almost the only pipeline to the world. . . .

Third, it is a delusion to think that Israel can ever get true non-belligerence from its neighbors unless and until it returns the occupied territories. No Arab leader could last on such a basis. Prof. Hoffmann, after a visit to Israel, said people there long for and talk of "real peace"—meaning trade with the Arabs, and tourists, and so on. But those can come only at the end of a process.

Prof. Hoffmann's views are given in a remarkable article in the April issue of *Foreign Affairs*.

It is a piece of large-scale detail and striking in its central argument: a "sweeping Israeli initiative at a peace settlement."

Israel is going to have to the occupied territories even Hoffmann argues. This putting that truth out and worrying about it, it should now face the details and decide what ultimately will do it for true peace—and then trade on ways to assure stability of final borders if political structure. In a word, would recognize Arab and talk about security, of resisting those rights as if security lay in possession.

Nobody can deny that risk in the political con standing put carries over the long run. For a small such as Israel, safety in position where the largest of outside persons and feels a responsibility to that means drawing the Union into the picture as fully difficult as it is making Soviet agreement United States on Israel's a base price of détente.

Secretary Kissinger's diplomacy was probably a in one respect: It encouraged Israelis to put off the questions of peace and yards of desert and vultures in a secret self-nurtured suspicions among factions and their American porters.

But the Kissinger met a crucial accomplishment: President Sadat talking toally about Israel as a ment fact. It had him in terms of living with its going on to questions of life for Egyptians.

Unreason

All that was much important than any form and it has been set back way. Whether Israel o was most to blame c matter, Israel had the lose by failure. Now th of unreason are strong Arab world, and Israe Geneva negotiations in circumstances.

The Passover service the promise: "This year slaves; next year we shall. Freedom from Israel's siege can come, as has been clear, only when it, a modus vivendi with its bors. Their intrusiveness historic fact, but that, justly refusal to understand they have grievously, fully reliance on the security of acreage.

The CIA's Baker Problem

By Rowland Evans and Robert Novak

—a contention disputed, committee's other members staffers.

What's more, he still o he is on no fishing er but has good reason—w cannot divulge—to believe is something unrevealed re CIA connections with W That line is so remains his "five-days-secret" as of Watergate days that fenders are naturally start

What worries them moe Baker, bright and resour not merely seeking ne headlines but attempting fend his own credibility a station. That defense erudite to Baker's pre hopes if he continues to i hink to Republicans of CII bility in Nixon's fall.

Thus, Baker's present conundrum of the o for all concerned. With i full trying to cope with firebrands in the House gation, the CIA dreads pleasurable conservative Re foe in the Senate. But also could about his ow he drastically reduce i peets for leadership in th if he persists down the ds path of self-vindication.

The International i Tribune welcomes letter readers. Short letters i better chance of being ished. All letters are o condensation for spid. Anonymous letters not be considered for n. Writers may requir their letters be signed with initials but prei will be given to those signed and bearing the er's complete address.

By Flora Lewis

1

New York Stock Exchange Trading

[illegible]

ADVERTISEMENT

Flash... Paris Bourse

COMPANY	INDUS.	1974-1975 HIGH-LOW	CLOS. PRICE MAR. 27	MDN.-WEDS. HIGH-LOW	P/E (61)	YIELD ^a (%)	-EARN. PER SHR.- 71 72 73	SHRS. OUTST. (000)	LATEST COMPANY NEWS
AQUITAINE	Petrol.	435 - 342	504	508 - 472.50	12	2.4	55.32 - 40.91 - 42.63	7,998	Dividend +25%. Dis'tribution of bonus shares = 1 new share for old ones.
BIC	Peris, lighters	749 - 372	525	516 - 502	14	1.2	29.28 - 33.30 - 27.33 c	1,800	New share distribution based on one new share for five old ones.
BOUYGUES	Construct.	600 - 246	465	639 - 629	14	2.5	33.00 - 42.50 - 47.50	600	1974 consolidated turnover (ex taxes): 1,676 million Fr., up 44% over 1972.
BSN - GERYAIS - DAN.	Glass, food	1174 - 342	568	549 - 503	5	4.5	71 - 87 - 102 c	2,523	Group consolidated turnover for 1st 9 months '74 = + 9.5%.
CHARGEURS REUNIS.	Holding	334 - 151.10	261.98	261 - 193.50	21	5.0	9.38 - 9.30 - 9.50	1,434	Interim dividend payment of 10 Frs. per share on Dec. 31, 1974.
CREDIT COMM. FRAN.	Bank	188.40 - 99	135.50	136.50 - 136	10	4.7	10.16 - 13.47 - 13.02	3,446	Salut bank recently opened; French branches now total 268.
CREDIT INDUS. COM.	Bank	179 - 94.50	119.20	119 - 117	14	5.0	7.48 - 9 - 8.63	3,081	C.I.C. Group lends 1,803 branches, 14% of which are in the Paris area.
CREUSOT-LOIRE	Heavy ind.	189.50 - 105	174.80	172 - 162.50	11	2.7	— - 9.22 - 15.74 c	2,047	Est. cons. net results: cash flow 500 MFr (+ 132%), net earn. 80 MFr (+ 72%).
EURAFRANCE	Holding	251 - 105	174.80	172 - 166	—	5.1	(non significant)	2,193	Holdings 30-74: Sovac, 55%; Insurance 14%; Cherg, Réunis, 14%; others, 17%.
FERODO S.A.F.	Autom. Equip.	338 - 135	279.50	276 - 268	10	5.5	21.40 - 26.57 - 27.19	1,488	16 Fr. dividend (15.56 Fr. in '73) to be proposed for '74.
FRANÇAISE PETROLES.	Petrol.	319 - 75	127.60	126 - 121.30	3	6.6	28.10 - 27.05 - 40.90	13,889	CFR app wins prospecting rights for Senegal; refinery plans rare start.
GEN. DE FONDERIE.	Mec. cons.	230 - 127	162.10	162.80 - 156	4	2.8	19.90 - 25.15 - 41.19	962	Subsidiary, Becows-Thomella, to install Warsaw meat complex 110,000 daily!
IMETAL	Mining	135.10 - 71	63	83.06 - 83	11	3.6	20.73 - 10.82 - 7.39	7,944	As indicated, Imetal to renege dividend payments.
LMT (Matériel Tél.)	Electric	2450 - 1210	1675	1600 - 1760	28 ¹	2.1	40.26 - 55.52 - 65.34	706	Horway phase contract for Transhelium University electronic exchange.
LYON, DES EAUX	Utilities	547 - 265.70	450	447.38 - 453	23	3.2	16.96 - 26.73 - 10.87	1,587	1974 turnover = 634.79 million Fr. up 22% vs. 1973.
MOET-HENNESSY	Beverage	1281 - 356	547	549 - 506	17	1.3	16.96 - 22.40 - 31.77 c	3,156
PARIBAS (Cie Financ.)	Holding	165 - 161	168.00	168.50 - 160.20	8	1.7	16.05 - 18.85 - 21.32 c	10,169	Estm. net asset value subsidiary OPFF (88.17/73) = rare start.
PATERNELLE	Hold. (fin)	242 - 105.10	141.80	142.50 - 139.70	14	4.8	8.23 - 11.16 - 10.09	3,872	Expect 1974 results to exceed 43 million Frs., vs. 42,600,000 Fr.
PECHELBRÖNN	Hold. (fin)	87 - 50.30	69.30	70.00 - 69.00	6	6.1	13.99 - 4.32 - 11.71	2,828	Diversified portfolio holdings + key stakes in 13 bankers (5 under constr.)
PECHINEY-UG.-KUHLM.	Chem. min	145.40 - 100	128.50	122 - 125.10	9	6.5	12.20 - 10.90 - 14.50	25,162	1974 consolidated sales = 22,221 million Fr., up 3.6% vs. 1972.
PERRIER	Bever. Spa	335 - 160.20	113.10	115 - 114.70	10	7.1	8.66 - 8.34 - 11.43 c	5,254
PEUGEOT	Holding	211.00 - 122.40	248	238.50 - 226	8	3.7	49.81 - 68.28 - 71.04 c	6,002	Autom.: '74 turnover +9.6%; prod. -3%; Sales: France -19%; Export +10%.
REDOUTE	Mail order	505 - 210.40	507	498 - 460	14	2.0	25.58 - 30.89 - 37.04 c	922	Group '74 results: 2150 mil. Fr. (+24%). Parent Cos. 1,262.2 mil. Fr. (+21.2%).
ROUSSEL-UCLAF	Pharmac.	315 - 207	309.50	305 - 286	11	2.3	19.51 - 19.85 - 28.72	8,608	Expect 1974 results to be major improvement over 1973.
SKIS ROSSIGNOL	Ski manuf.	2512 - 900	1701	1780 - 1610	26	1.2	41.42 - 51.72 - 64.64	221	Consolidated turnover (April-December 1974) = 267,888,000 Fr. (+18.56%).
SUEZ (Cie Financ.)	Holding	285 - 141	259	255 - 245	5	5.4	43.22 - 49.14 - 55.76 c	9,909	15 Fr. net dividend + 1 Fr. to be proposed May 27 shareholders meeting.
TELEMECANIQUE	Electric	1047 - 590	921	905 - 873	37	1.2	24.38 - 26.61 - 34.82	918	1974 turnover of the parent company = 1,078 million Fr. (+24%).

Selected Over-the-Counter Stocks

[illegible]

Market Summary

[illegible]

Industrialist
nies Bid
Montedisonster's Plan Seen
ening Cefis' Power

RE, March 27 (AP-DJ).—Rovelli, president of Sotiliana Resine (SIR), "absolutely" today that a "directly or indirectly" shareholder in Montedison. The possibility that Mr. Rovelli might be a shareholder in Montedison was the subject of a question asked by the Montedison board, indicated he believes that Rovelli and Sir are holding 18 per cent of Montedison shares, whose owners are widely known.

Cefis complained that it is impossible for him to run Montedison with a major shareholder holding such control.

Rovelli said of his hold- ing: "I have never done anything. I have only intervened in Cefis' meetings. I have never defamed him. Never."

Solution Seen

It is expected that within a few days the confusion that has been over Montedison will be cleared up. Many industrialists say a plan drawn up by Cefis will give Mr. Cefis much more control over the company.

Indicate of major share- holders controls 37 per cent of Montedison's shares. The syndicate is about equally balanced between state and non-state companies.

The non-state concerns include two Liechtenstein holding companies—Nidion and Eurofiduciaria. It has been reported that they were operated by Mr. Rovelli.

Under the Andreotti plan, Nidion and Eurofiduciaria, which held about 7 per cent of Montedison's shares, would transfer from the syndicate. Cefis would be named to the shareholders' committee, which effectively runs the company by naming top management.

It is to be done about the group, which is not even publicly but which quietly holds 11 per cent of Montedison shares on the open market. It is not a member of the state.

Dividend Expected

Cefis, in the four years he has been president, has turned the company around. He has said openly that he wants to pay a dividend this year after four years of losses. Last year he was 4,000 billion lire (\$6.3 bil- lion).

The annual meeting, which must be held by April 30, is the subject of the secret group brought in last week. It is believed that the group wanted to vote, but that is not an option.

Law permits foreign con- trol to maintain secrecy in stock purchases. How- ever, under a law passed last year and expected to come into effect in early May, Italian law that own significant shares in other companies must disclose holdings publicly. Mr. Rovelli said in the L'E- spresse interview that he was to sell his "modest" hold- ings at market prices. He would not sell for cash but wanted guarantees as business would not suffer.

German Trade
plus Narrows
ring February

ESSEN, West Germany, March 27 (AP-DJ).—West Ger- many's 3.486-billion-mark surplus in February, down 3.897 billion marks from 3.897 billion marks in January and 3.074 billion marks in February 1974. The Federal Office said today. Exports were at 17.1 billion marks, compared with 17.388 billion marks in January and 17.437 billion marks in February 1974. Exports rose to 14.1 billion marks from 13.791 bil- lion marks in January and 13.7 billion marks in February 1974.

Trade surplus, balanced by transfers and services, edged in a preliminary current account surplus of 1.8 billion marks, compared with a surplus of 3.6 billion marks in January and 3.5 billion marks in February 1974.

The first two months of 1975, exports rose to 35.144 billion marks from 34.955 billion marks in the like 1974 period. Imports climbed to 28.042 billion marks from 28.309 billion marks in the like 1974 period.

World Slump?—It's Already On

By Leonard Silk

CLAREMONT, Calif., March 27 (NYT).—Will there be a world depression? The distinguished economists from several countries who met here this past weekend at the fifth biannual Claremont International Monetary Conference answered the question forthrightly: "The world is already in a depression."

Robert Solomon, adviser to the board of governors of the Federal Reserve System, offered as evidence the steepness and breadth of the slide: Industrial production has fallen in the United States, Japan, and the industrial countries of Western Europe at an annual rate of 20 per cent during the last three months. And the downturn, Mr. Solomon said, "will continue for some time."

Even Higher Inflation Possible

Within two years, Mr. Wallach held a burst of monetary growth now would drive prices up at rates even above the 12-per-cent pace that inflation reached last year.

The Federal Reserve governor, a former professor of economics at Yale, contended that rates of inflation have spiraled upward in the United States from business cycle to business cycle during the postwar period.

The capitalist system, Mr. Wallach maintained, is being undermined by inflationary measures taken to cure recessions. Inflation, whether in the United States, or other countries, he said, causes profit margins to shrink and private enterprises to founder. "The end," he said, "is liquidity and insolvency, as we have already

seen in our country in the case of utilities and real estate investment trusts."

Inflation forced governments to become dependent on government help for survival. This, Mr. Wallach said, was a predictable pattern. He said that the economic system of the United States, like that of Britain, would be transformed into what he called "state capitalism."

Lord Robbins, chancellor of Stirling University and a governor of the London School of Economics, who agreed that the world economy is in a depression, which he expects to end this year, said that his deeper concerns were over the world political crisis. One aspect of this is the shift of wealth and power to the Middle East, he said.

The real political situation is being further strained by the combination of depression and inflation. However, the view of many here was that inflation is fading now, giving way to more serious worries about the depression.

How is the world monetary system, with floating exchange rates, weathering the storm? The general view here was remarkably well. Prof. Emeritus Gottfried Haberler of Harvard stated that "it is here to stay for the indefinite future." But he did not think this implied that all the currencies of the 136 members of the International Monetary Fund "will or should fluctuate against each other."

Formal reform of the world monetary system seems to have come to a dead halt. The political conflicts among nations, the uncertainty about the economic balance of the United States, anxiety over a world depression, and the wrenching effect on the West of massive transfers of dollars to the Middle East are all exerting centrifugal pressures upon the post-war world economy.

Yet the economists' fear does not give way to desperation. Their faith in the ability of government to cure the depression—chiefly through fiscal and monetary policies—appears unbroken.

Cites False Statements, Publicity Campaign

SEC Charges Hughes Over Airline Deal

WASHINGTON, March 27 (Reuters).—The Securities and Exchange Commission has filed a complaint in federal court against multimillionaire Howard Hughes, Summa Corp., Hughes Air Corp., and seven other individuals charging them with violations of the securities laws in connection with the acquisition of Air West Airlines by Mr. Hughes in 1968.

Among the other individuals named in the complaint were Herman Greenspan, the publisher of the Las Vegas Sun, David Charney, George Crockett, Chester Davis, Patrick Hillings and Robert Mahen.

The complaint alleges the defendants violated the anti-fraud, anti-manipulative and proxy solicitation provisions of the Federal Securities Law.

The SEC is seeking an injunction against the defendants to bar them from further violations and a court order for the return of all monetary benefits gained by the defendants as a result of their violations.

\$48 Million Cited

An SEC official said the monetary return could be as much as \$48 million, based on the difference between \$22 a share which the SEC says previous

holders of Air West stock believed they would get when Mr. Hughes took over the airline, and the \$3.75 a share they actually did get.

The complaint alleges that Mr. Hughes, Mr. Davis, Mr. Mahen, Mr. Snyder and Summa undertook an illicit publicity campaign to influence the directors and shareholders to vote in favor of the Hughes offer for Air West stock.

The SEC said the publicity material was false and misleading because it represented that Air West shareholders would receive \$52 a share as a result of the Hughes offer without disclosing that, because of Air West's inability to comply with a new work condition of the offer, the shareholders would receive far less than that.

The SEC also said the defendants were able to have certain well-known and influential persons, including prominent political figures, issue statements favorable to Mr. Hughes without disclosing that they had been influenced to do so. The SEC did not name the prominent figures.

The acquisition by Mr. Hughes began in August 1968. In December 1968, the SEC says, Mr. Hughes, Mr. Davis, Mr. Mahen, Mr. Snyder, and Summa prepared false and misleading proxy statements and proxy soliciting materials in connection with the acquisition.

On Dec. 31, 1968, the SEC said, Mr. Greenspan, Mr. Crockett and Mr. Charney sold approximately 47,000 shares of Air West stock at the request of Mr. Hughes and others, causing a drop in the price from 18 3/4 to 15 3/4.

The complaint also charges Mr. Hughes and others issued proxy statements in 1970 in connection with the acquisition of Air West's assets by Mr. Hughes.

U.S. to Revise 'Leading' Index
Of Indicators on the Economy

WASHINGTON, March 27 (Reuters).—The Commerce Department is planning to radically revise its composite index of leading indicators, which is designed to forecast broad movements in the economy, Assistant Secretary for Economic Affairs James Pate has said.

Mr. Pate made the announcement at a luncheon sponsored by the National Economists Club last Tuesday, but the text of his remarks was not released until today.

The proposed new index would retain only four of the current 12 indicators—average workweek, index of net business formation, stock price index, and building permits.

It would add statistics on the lay-off rate, vendor performance, contracts and orders for plant and equipment in 1987 dollars, the money supply, per cent change in total liquid assets, the net change in inventories on hand and on order in 1987 dollars, new orders for consumer goods and materials in 1987 dollars, and percent change in sensitive prices.

Index Criticized

The department's current composite index has been criticized by a number of economists for failing to consistently point out significant trends in the economy.

In his remarks to the economists Tuesday, Mr. Pate said that the most serious forecasting errors in recent years have been primarily "the result of inflation and our inability to accurately

differentiate between real and nominal values."

He said that inflation was "a major cause of miscalculation associated with the current slowdown."

He said that had the proposed new index been in use the government would have had a "much earlier warning" of the current economic decline.

Today, the Commerce Department reported that the index of leading indicators rose in February for the first time in seven months, climbing 1 per cent. This followed an upward-revised 2.8-per-cent drop in January.

The increase occurred despite the fact that only four of the nine indicators available showed positive movements while five declined.

The 1-per-cent gain brought the index (1987 equals 100) to 106.6.

Italy Wholesale Prices
Rose 2% in February

ROME, March (AP-DJ).—The index of wholesale prices in Italy stood at 190.2 in February, up 0.2 per cent from January and up 17.9 per cent from a year earlier, the government statistics bureau reported today.

The month-to-month gain was the highest since the 0.3-per-cent registered in November. Thus the wholesale index and both the consumer price indexes issued recently have shown an acceleration in February from the low levels of December and January.

U.S. Trade Surplus Gives Boost to Wall Street

NEW YORK, March 27 (NYT).—New York Stock Exchange prices gained moderately today, assisted by some favorable economic news.

The Dow Jones industrial average climbed 4.07 to 770.26. Advancing issues outnumbered decliners by about 825 to 580.

Volume totaled 18.3 million shares compared with 18.58 million yesterday.

Brokers attributed an early gain in part to news that the United States had a record-high \$917-million trade surplus in February. They said the market was weighed down in mid-afternoon from its early highs by the possibility that President Ford might veto the tax cut bill as excessive.

However, the market gained again later following the report that leading economic indicators rose 1 per cent in February, the first gain in the index in seven months.

El Lilly was the most active issue on the New York Stock Exchange, slipping 1 3/4 to 71 3/4. Trading in the issue included a block of 323,000 shares at 71.

Borden was also active, falling 1/2 to 23 7/8. A block of 184,900 shares of the stock crossed at 23 1/2.

Polaroid fell 7/8 to 24 3/8. Dow Jones news service and the Wall Street Journal commented on details of the company's annual report including the surprising indication that Polaroid last year apparently reported a loss on its domestic business for tax purposes.

In other volatile issues, IBM fell 2 5/8 to 307 1/2. Eastman Kodak was 92 7/8, up 5/8, Disney 43 1/4, up 1/4, and Xerox 71 3/4, down 1 1/4.

ICN Pharmaceuticals sank 5/4 to 3. The company said it expected to report another substantial loss in its first quarter following a big year loss.

Mountain Fuel Supply gained 2 1/4 to 39 3/4. The company completed an oil well acquisition in southwestern Wyoming.

Burlington Industries added 7/8

to 23 1/2. The company filed for \$75 million in sinking fund debentures with proceeds to be added to general funds for working capital and investments. It also said it expected significantly lower second-quarter net.

The American Stock Exchange index closed up 0.11 to 80.01.

The most active issue was Goldfield, closing at 1 5/8, up 1/8 on volume of 128,000 shares.

Also active were Outdoor Sports Industries at 4 5/8, off 1/8, Lodge & Shipley 1 3/8, up 1/4, Synnex 38 1/4, off 1/4, and Champion Stone Builders 4 1/8, unchanged.

The NASDAQ industrial aver-

age rose 0.50 to 77.63 on the over-the-counter market.

Bonds closed firm in moderately active trading.

Dealers said the upside move mainly reflected a technical recovery after the recent sharp price declines, although some sales progress by recent new issues and the postponement of another large scheduled sale also helped maintain the upward through much of the session.

By the close government coupons were showing gains ranging up to 1/2 point, and while corporate rates were slightly off their highest levels of the day at the close,

risers of 1/2 to 3/4 point were still widespread.

In Chicago wheat, corn and soybean futures fell from 5 to 13 cents a bushel on the Board of Trade.

Soybean meal was down 35 a ton, while soy oil prices closed on a mixed tone.

Selling in the principal pits was strong on the opening. Prices were relatively firm to strong for several days because there were reports that farmers were holding back grain to get higher prices. They delivered some grain overnight, trade sources reported, and this was enough to shake up long.

Fed Seen Aiming at Cut in Interest Rates

NEW YORK, March 27 (AP-DJ).—The Federal Reserve System has implicitly confirmed that it has lowered its target rate on federal funds, a key money market instrument.

The apparent reduction, which analysts generally said amounted to at least 1/4 percentage point, could have broad implications for other short-term interest rates. If the lower funds-rate level is sustained, analysts said, it could pave the way for a reduction to 5 3/4 per cent in the banking industry's prime or minimum, interest rate on loans to the most credit-worthy customers.

Specialists said that under the Fed's previous target range, it would have been difficult for the prime rate to fall through the 7-per-cent level. Currently, major banks generally are quoting 7 1/2 to 7 3/4 per cent base lending fees.

The Fed's implied confirmation came yesterday when it moved to inject funds into the banking network as the federal funds rate pressed above 5 3/4 per cent. Rates on federal funds, an indication of the availability of reserves in the banking

system, are used by the Federal Reserve as a guide in carrying out monetary policy.

Specialists took yesterday's injection of reserves as an indication that the Fed prefers to see funds trade in the 5 1/4 to 5 3/4 per cent range, or possibly even lower. In recent weeks it had been generally assumed the Fed wanted the rates to be in the 5 1/2 to 6 per cent vicinity.

The injections came in the form of repurchase agreements. Under such an arrangement, the Fed buys securities from dealers who agree to buy them back at a later date. The maneuver adds funds to the banking network because sellers place the proceeds in their commercial bank accounts.

But more importantly, the rate on federal funds is used as a

benchmark by the money market in setting interest rates on other short-term instruments, many of which are used to help banks determine their prime rates.

Dealers noted that the amount of Treasury bills to be auctioned each week has been increased substantially. As next Monday's auction of new 13-week and 26-week issues, for example, a total of \$800 million of net new money will be raised.

The increase in the amount of bills being offered could have a beneficial side effect on the long-term bond market. William Griggs, a money analyst for Schroders Inc., estimated that \$7 billion of new funds will be raised by the Treasury between now and the end of June through the increased bill sales.

That is a large part of the projected \$17 billion in new Treasury needs over the period.

[Today, federal funds traded steadily around 5 1/2 per cent during the session, without any direct Federal Reserve System intervention, while Treasury bill yields moved lower, Reuters reported.]

[Bills, however, moved ahead in line with the overall strength in the government market.]

Market Closed

Stock markets and currency exchanges throughout Europe will be closed March 28 and March 31 for the Easter holiday, in the United States and Canada, securities and commodities exchanges will be closed March 28 only.

Once, only governments and the
multi-national "giants" had access to
the counsel of Hudson Europe.
Now you can subscribe to its regular
economic and political forecasts.

HUDSON EUROPE is a private research company based in Paris whose work for various corporations and for the U.S., French and Canadian governments has attracted world-wide attention.

Its multi-national staff is made up of social and political analysts as well as economists and trade specialists. Their sources, both official and unofficial, are literally all over the world. And the input to Paris is weighed and analyzed, knowledgeably and dispassionately, and presented to clients in a practical, easy-to-understand form.

Thus over the past several years, Hudson Europe has published more than 75 confidential reports and conducted more than 50 seminars and work sessions on such subjects as:

- Where Europe's Labor Will Come From in the 1980s.
- Petrodollars—Who is Vulnerable and Who is Not.
- The Limits of West German Growth.
- The Surprising Economic Outlook for Italy.

Wouldn't you like to have known, as early as last June, that the "official" price of gold would tacitly be abandoned—as it was at the Giscard-Ford meeting in Martigny last December?

Would your plans have changed had you known in September 1973 that the basic structural problems of the West German economy would outweigh the strengths of its export business—and that even without the oil crisis, Germany's economy would be in trouble, serious trouble in 1975?

And what about oil? Did you even suspect a year ago, that crude oil prices would actually begin to fluctuate, then fall, in 1975—despite all indications to the contrary?

Hudson Europe's methodology and its conclusions are unusual, unorthodox, and often unexpected. And its record of accuracy has been remarkably high:

- Fifteen months ago, Hudson Europe predicted—accurately—the drop in crude oil prices that is happening right now. This despite fourfold price increases at the time the forecast was made.
- More than 18 months ago, Hudson Europe predicted—accurately—the U.S. trade deficit for 1974, and the decline of the dollar against other major currencies.
- As early as 1971, Hudson Europe predicted—accurately—that British entry into the EEC wouldn't end the controversy over this move. It isn't settled yet.

But Hudson Europe's forecasts have always had a highly restricted audience: privileged persons connected with those companies and governments who commissioned Hudson Europe to make studies for them.

Now, for the first time, this material is being made available to others. In a joint venture with the esteemed International Herald Tribune, also Paris-based, Hudson Europe is publishing a regular and continuing analysis of what's happening, why it's happening and what will happen as a result.

It is called *The Hudson Letter*. "INFORMATION" ALONE ISN'T ENOUGH.

The Hudson Letter doesn't just print facts and figures. These are available elsewhere. Instead, *The Hudson Letter* clarifies and illuminates such data, brings meaning and judgment to it. The short and long-range aspects of national and international developments are assessed and interpreted.

No other information service offers this kind of in-depth reporting and in-depth analysis.

A year's subscription to *The Hudson Letter* and the *Special Reports* costs 1700 French francs. To have a look at the current issue, free of charge, or to subscribe at once, just send the coupon below.

The Hudson Letter

The Hudson Letter, 21 rue de Berri, 75008 Paris, France.

☐ Please send me—no charge—a sample copy of *The Hudson Letter*, along with a Charter Subscription Order Form. (Offer expires 15 April 1975.)

☐ Please enroll me immediately as a Charter Subscriber.

☐ Bill me later. ☐ Bill company.

☐ Payment enclosed, 1700 French francs, or equivalent in other currency.

If you pay by bank transfer send to International Herald Tribune through Lazard Freres & Cie, 5 rue Pille-Will, 75009 Paris, France.

Name: _____

Company: _____

Address: _____

City: _____ Country: _____

I understand that I can cancel my subscription at any time, and get back a refund on the unexpired portion of my subscription.

-75% High. Low.	Stocks and in \$	P/E	S&P 100.	High	Low	Last	Cat Net
30%	14%	TRW	In 1.30	6	787	16%	17% - 2%
-75% High. Low. <th>Stocks and in \$</th> <th>P/E</th> <th>S&P 100.</th> <th>High</th> <th>Low</th> <th>Last</th> <th>Cat Net</th>	Stocks and in \$	P/E	S&P 100.	High	Low	Last	Cat Net
57	35%	UV	In p15.50	3	57	37	57 + 2%
-75% High. Low. <th>Stocks and in \$</th> <th>P/E</th> <th>S&P 100.</th> <th>High</th> <th>Low</th> <th>Last</th> <th>Cat Net</th>	Stocks and in \$	P/E	S&P 100.	High	Low	Last	Cat Net
3%	1%	WW	In 1.30	9	222	3%	2% - 3%

[illegible]

—1975—		Stocks and	Sig.		Net	
High	Low	Div in \$	P/E	Kids	High	Low

International Herald Tribune

هكذا من الأهل

